II Summary and recommendations (continued)

Projected results to 31 December 2002 (continued)

- The above projections are an aggregation of the individual projections prepared by the Group. The trading companies included are Medequip, TMSE, IIC and MCMC. The aggregated projection excludes ICC (the lighting factory) but this is insignificant compared to the main businesses. The projections are commented upon in detail in Section VI.
- The projections do not include any benefit from contracts under the UN Oil for Food programme.
- The projections do not assume any significant improvement in trading in 2001 and 2002. Management has sought to prepare a prudent projection and have not assumed any increase in business from 2000 levels. In 2001 underlying volumes are assumed to be below 2000; the increase in turnover is simply the result of inventory with a book value of LE 160 million being resold to suppliers in Q1 2001 at a 10% discount. Payment for this re-sale is spread over 18 months commencing Q4 2001.
- In addition, to provide an additional level of prudence, the projections include contingencies of LE 32 million and LE 21 million in 2001 and 2002.
- Of the turnover, Medequip and TMSE represent 80%.
- On the basis of the above projections, the Group is unlikely to achieve a result before interest much in excess of break-even, and will not be able to support the large interest burden arising from the high level of debt.
- The postponement of interest payments on local borrowings clearly provides a breathing space in terms of cash flow.

II Summary and recommendations (continued)

Projected results to 31 December 2002 (continued)

- The Group's return to profitability is dependent upon, or would be assisted by:
  - Success in winning the prospective UN contracts. We understand that contracts worth US$59 million have been secured and are estimated to add LE 97 million to gross margin. We understand that the Phase Ten Oil for Food programme has now been approved.
  - An improvement in the Egyptian economy and in particular an easing of the liquidity problem and settlement of present outstanding receivables.
  - A satisfactory resolution of the Banque du Caire issues.
  - Return to more normal levels of Government healthcare spending. We understand that the Government healthcare budget for 2001/02 is similar to 1999/2000 levels. This represents approximately LE 300 million additional healthcare spending as compared to the spending in 2000/01.
  - Development of international business outside Egypt, to both reduce dependence on the local economy and to reduce exchange rate risks.
  - The development of new sources of revenue for the medical equipment business, particularly if it can be exploited outside Egypt. The Group is in discussion with another major healthcare equipment supplier that could have good potential to increase equipment sale revenues.
  - The Group being able to take advantage of new opportunities. For example, the Group has been invited to participate in a project to build schools for the Egyptian government, under capital leasing arrangements using fast-track utility construction techniques developed by Medequip.

II Summary and recommendations (continued)

Forecast and projected cash requirements

Accuracy of past cash flow budgets

- The Group has produced to us short-term cash flow forecasts for the three principal trading companies, Medequip, TMSE and IIC, for the three months from 1 June to 31 August 2001.
- We understand that the Group does not attempt to consolidate its short-term cash flow requirements at Group level, although the three principal trading companies do routinely monitor their short-term cash requirements to ensure that their facilities are not exceeded.

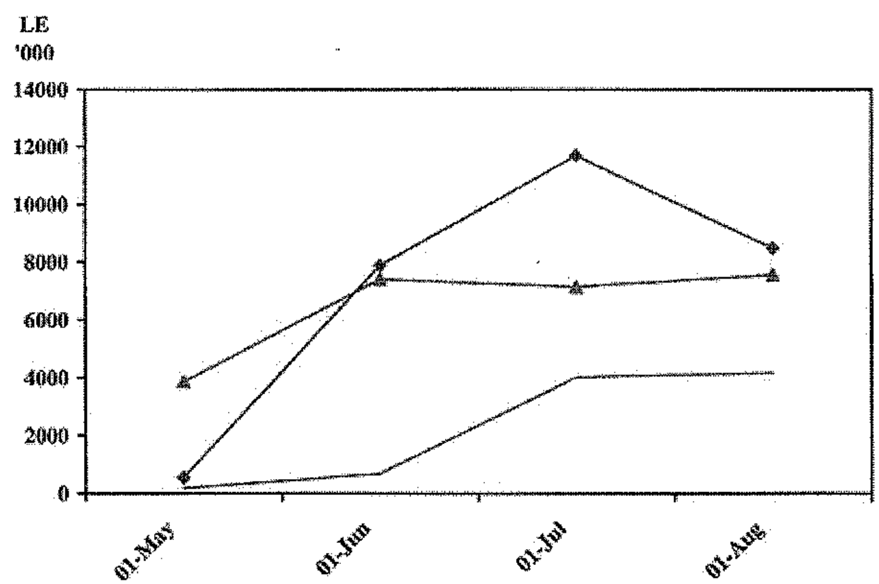
Short term cash needs

- The graph below shows management's estimate of the short-term cash flow position of each of the three principal trading companies.
- It will be seen that all three are forecast to generate cash over the three months from 1 June to 31 August. We are informed that the forecast for June includes, and is adjusted for, actual cash receipts to 24 June.

II Summary and recommendations (continued)

Short term cash needs (continued)

- On the basis of this information, the Group does not have an immediate cash crisis.



II Summary and recommendations (continued)

Medium term cash needs

- We show below the medium term cash projections, which we have aggregated from individual company projections. Just prior to publishing the report, the Group provided us with a consolidated cash flow projection. This shows higher net cash inflows in 2001 and 2002. In the time available, we have not been able to fully analyse and understand the reasons for the increased cash. A significant part, however, appears to relate to assumptions on interest paid.

	Projected		
	Year to 31 December 2001 LE millions	Year to 31 December 2002 LE millions	Comments and main issues
Projected loss	(197)	(130)	
Less Non cash items and finance charges	228	253	Depreciation and interest costs in profit/ loss.
Net Cash from operations before working capital movements	**31**	**123**	
Changes in working capital	129	661	Reductions in inventory and receivables.
Financial Payments	(27)	(124)	2001 – December Eurobond coupon, 2002 – Euro Bond and local bond coupons – all other interest rolled up under Framework Agreement.
Fixed asset and other investing activities	(3)	0	
Net cash inflow from investing and operating activities	**130**	**660**	
Financing funds flow:			
Reduction in balance due to Banks	(35)	(28)	
Increase in Time Deposit	(19)	(21)	
Other cash movements	2	(6)	
Net increase/(decrease) in cash balances	**78**	**605**	

II Summary and recommendations (continued)

Medium term cash needs (continued)

- The projected cash flow for 2001 shows a net inflow from operations (before financing costs) of LE 31 million. The change in working capital for 2001 is a net inflow of LE 129 million.
- The cash inflow from working capital is principally attributable to a reduction in inventory, partly offset by an increase in receivables.
- Finance payments in 2001 are limited to the December Eurobond coupon of LE 24 million and interest on short- term bank debt. Under the Framework Agreement, local bond interest is rolled up until 1 January 2002, and local bank interest is rolled up until the end of 2002.
- After repayments to banks of LE 35 million, there is a net increase of cash during 2001 of LE 78 million.
- For 2002, the projected cash flow shows a net inflow from operations (before financing costs) of LE 123 million. The change in working capital for 2002 is a net inflow of LE 661 million. Finance payments total LE 124 million, including the 2002 Eurobond coupons and the catch-up payment for the missed June 2001 Eurobond coupon (LE 72 million in total). Finance payments also include local bond coupons due and payable (but exclude the local bond coupon payable on 1 January 2003).
- In 2002, the cash inflow from working capital is principally attributable to a reduction in long and short-term receivables of LE 546 million. The Group has assumed a substantial reduction in receivables during 2002.
- The net effect in 2002 after repayments to banks of LE 28 million is an increase in cash balances of LE 605 million, the majority of which is coming from collection of receivables.

Medium term cash needs (continued)

- The Group's key assumption is that liquidity in the Egyptian economy will increase substantially from late 2001 and through 2002 and in particular that Government spending and settlement of its debts will increase. This will, either directly from the public sector or indirectly through an enhanced flow of Government payments to the private sector, enable the Group's clients to pay for work done.

- Clearly this is the key assumption underlying the cash flow projections. It is subject to the most uncertainty and the position will therefore need to be frequently reviewed and carefully monitored. If the improvement in the collection of the Group's receivables does take place, this will enable the Group to start reducing substantially its debt position from 2003 onwards.

Banks' and Bondholders' security

- The local banks hold a variety of security for their lending. In the main, these comprise pledges on inventory, receivables and fixed assets.

- We have not, however, carried out a detailed review of the security held by the local banks. This is for a number of reasons:

    - In the event that the Group failed, it is unlikely that substantial local assets would become available for foreign creditors.

    - In the current economic environment the amounts that would be likely to be realisable from local assets would be severely reduced.

    - A full review of the local banks' security would require local legal input.

- For all practicable purposes, the Bondholders should assume that their prospects of recovery in the event of an insolvency of the Group would be minimal. The Bondholders should therefore pursue taking pledges over international revenues and specific assets that may be capable of sale, such as the Scandinavian Company for Touristic Investments (Sharm El-Sheik Hotel) and MidWest Airline.

The Group's Proposals to the Bondholders

- In Section VII we comment in detail on the proposals that have been discussed with the Bondholders for providing some security to the Bondholders, and in particular the setting up of a US$ sinking fund.
- In essence, the Group's proposals discussed at the 14 March 2001 Bondholder meeting and further developed at the meeting on 1 June comprise three elements:
  - The setting-up of an SPV to capture international revenues, with 60% of the net revenue flowing to the Bondholders.
  - The assignment of up to US$18 million of revenues from the US$59 million contract under the UN Oil for Food programme, and 20% of net proceeds from further UN contracts.
  - The pledging and sale of MidWest Airline, and the sale of the Scandinavian Company for Touristic Investments (the Sharm El-Sheik hotel).
- These proposals are under discussion as part of the standstill agreement.
- Some initial consideration has been given to the structure of the SPV and further details are set out in Section VIII.
- We understand that the mechanism for capturing the US$ 18 million is to be put in place by the BONY on behalf of the Bondholders as part of the standstill arrangements.
- In Section VIII we comment on the eight personal investments which Ramy Lakah originally undertook to pledge to the Bondholders. A number of these investments have issues that need to be addressed before they can be sold.

The Group's Proposals to the Bondholders (continued)

- In the case of four of the companies, land held by those companies was transferred to the Group in December 2000 to augment the Group's capital base. This land is stated at LE 92 million and is included in the 2000 Group balance sheet. Should the Bondholders require any of these properties as additional security, they would need to take direct security.
- We note that these eight investments are those investments listed in the annex to the Framework Agreement. There does not appear to be a negative pledge in the Framework Agreement, and only LE 34 million of the proceeds from Group cash flow and/or the sale of their investments would be required to satisfy the Group's short term obligations to local banks under the Agreement. As a result, the Group should be free to deal with these investments and the balance of the proceeds thereof to finance its activities.
- These matters need to be addressed by the Group and the proposals implemented as soon as possible.

III Background, management, markets and strategy

Introduction

- In this section we detail and comment upon the following:
- The Group's activities and structure
- The Group's historical trading performance
- Directors and senior management
- Causes of the Group's decline
- Outline of the Group's strategy

Activities and Group structure

- The principal activities of the Group comprise:
  - The sale and maintenance of high technology medical equipment in Egypt, Turkey, the Middle East and Northwest Africa (through TMSE and Medequip).
  - The planning, construction and maintenance of medical facilities, principally in Egypt but also elsewhere in the Middle East and Northwest Africa (through Medequip), and its fellow subsidiary, Quest Consult ('Quest').
  - Systematised "utility" type construction of e.g. schools, using fast track construction techniques developed for Medequip's turnkey operation, principally in Egypt.
  - The operation of medical imaging centres within Egyptian Government hospitals and clinics, through MCMC.

III Background, management, markets and strategy

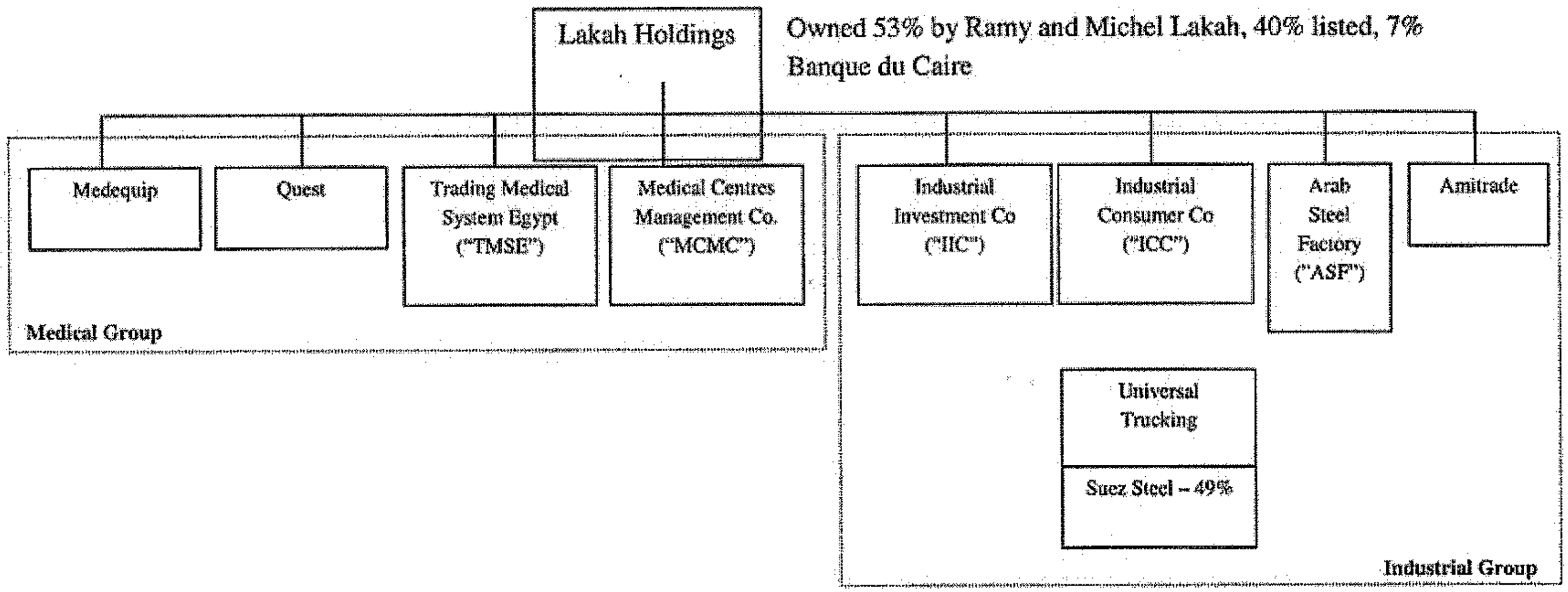
Activities and Group Structure (continued)

- The production and sale of detergents (principally for laundry), through IIC.
- The production and sale of light bulbs and tubes, through ICC.
- In addition to the above, the Group formerly operated a steel billet factory, through Arab Steel Factory ("ASF"). The business and operational assets were sold in January 2000, but ASF remains a member of the Group and its affairs are closely inter-connected with the remainder of the Group.
- The Group formerly carried out a steel trading operation through Amitrade. This operation ceased on the sale of the operational assets of ASF.
- There are various investments held within the Group. These include Universal Trucking and Suez Steel. Universal's activities are now minimal, following the sale of the business of ASF. The Group holds (via IIC) 49% of Suez Steel. We have not seen any financial information for Suez Steel.
- Other significant investments include investments in a JV for the sale of medical equipment abroad (LE 305 million) and an investment of LE 120 million in a factory owned by Arab Cast Iron and Steel Factory (ACISF). We understand that the Group is negotiating a sale of its interest in ACISF and estimates this will realise approximately LE 80 million. We have not seen any information to support this valuation.

III Background, management, markets and strategy (continued)

Activities and Group Structure (continued)

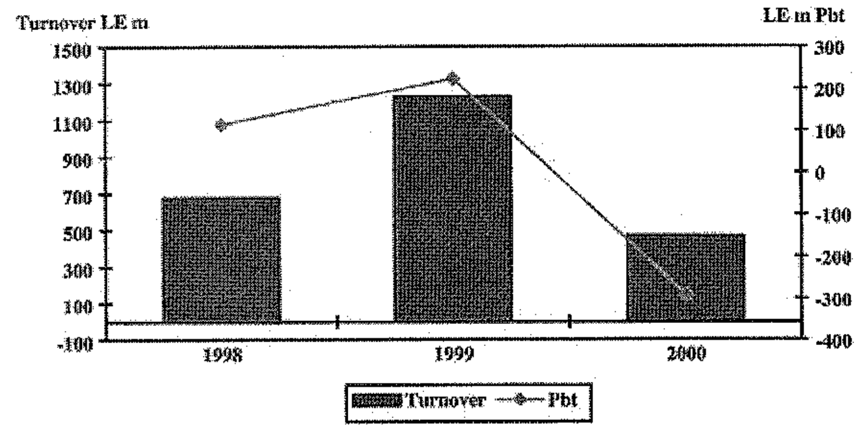
- The Group structure is as follows:



III Background, management, markets and strategy (continued)

Overview of historic trading performance

- The graph alongside shows the annual turnover and profit before taxation during the last three years.
- Turnover rose by 82% from 1998 to 1999, and fell by 61% from 1999 to 2000.
- Part of the change is attributable to the disposal of the business and operational assets of Arab Steel Factory in February 2000 and the consequent cessation or virtual cessation of trading in Amitrade and Universal Trucking which were largely reliant upon business with ASF.



- The sale of ASF and cessation of Amitrade and Universal were not replaced following the blocking of proceeds of the ASF sale by Banque du Caire, as had been originally intended by the investment in the development of a medical consumable business.
- After stripping out ASF and Amitrade, Group turnover dropped from LE 801 million in 1999 to LE 430 million, a reduction of 84%.
- The bulk of this fall is attributable to a decline in revenues in the medical business. This has resulted in an increase in inventory and work in progress in the balance sheets of Medequip and TMSE.
- The fall in turnover in the medical businesses is principally attributable to a fall in spending on healthcare by the Egyptian Government, as a result of budget pressures.

III Background, management, markets and strategy (continued)

Overview of historic trading performance (continued)

- Profit before tax rose by 94% from 1998 to 1999, broadly in line with the increase in turnover. From 1999 to 2000, the Group result fell from a profit before tax of LE 226 million to a loss of LE 305 million, including provisions of LE 229 million (mainly against receivables and inventory).

- Stripping out the impact of the discontinuation of the businesses of ASF, Amitrade and Universal Trucking, the Group incurred a loss of LE 168 million in 2000.

- The reduction in profit before tax from 1999 to 2000 is attributable to the following major factors:

  - A reduction in gross margin from 36% to 30%.

  - A reduction in turnover as described above.

  - A failure to reduce overheads proportionately to the reduction in turnover – overheads declined marginally in 2000 as compared to 1999.

  - An increase in interest and financing charges of 79%, from LE 99 million to LE 176 million, reflecting substantially increased borrowings resulting from the increase in receivables and inventory, funded by the Eurobond.

III Background, management, markets and strategy (continued)

Overview of historic trading performance (continued)

- The graph alongside shows the net operational cash inflow/(outflow) in each of the last three years.

- The investing and financing operations of the Group in the past three years have been complex and tend to obscure the overall trend. We have therefore stripped out the investing and financing movements and show only the operational cash flows.

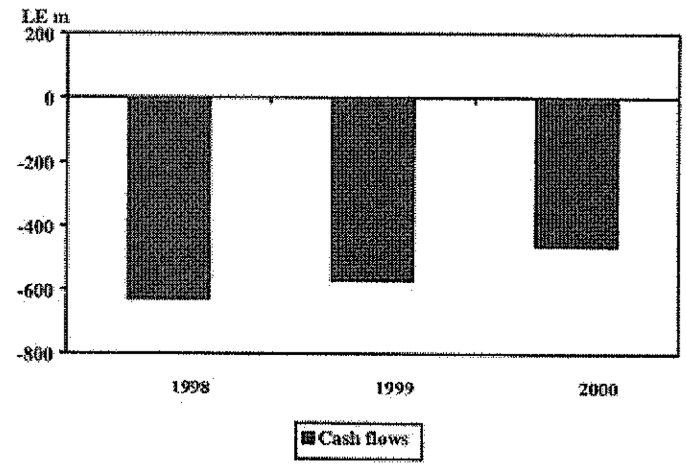
- These operational cash flows have been financed as follows:

  - In 1999, an increase in the paid up capital of LE 350 million.

  - In 1999, a long-term bond issued of LE 400 million.

- In 2000, receipt of the proceeds of the 2004 12% Bonds issued in the sum of US$100 million (equivalent to LE 340 million at the then-prevailing exchange rate).

- An increase in balances due to Banks of LE 335 million in 1999 and 2000.



III Background, management, markets and strategy (continued)

Overview of historic trading performance (continued)

- The negative operational cash flows may be explained as follows:
  - From 1998 to 1999, working capital increased by LE 831 million, compared to the increase in turnover of LE 553 million.
  - From 1999 to 2000, working capital increased by a further LE 381 million.
  - This increase is attributable to the sharp reduction of liquidity in the Egyptian economy discussed elsewhere, which has severely restricted the recovery of receivables.

III Background, management, markets and strategy (continued)

Management and employees

Directors and senior management

Name	Title	Principal responsibilities	Past track record
Ramy Lakah	Chairman and Chief Executive Officer	▪ Chairman ▪ Chief Executive ▪ Chief Financial Officer ▪ Chief Operating Officer	▪ Ramy Lakah is the dominant individual within the Group. ▪ Aged 37. Has led the Group over 16 years from very small beginnings to its current situation. ▪ He is also a member of Parliament and leader of the Independent grouping within Parliament. ▪ Together with his brother, he holds 53% of the shares of Lakah Holdings.
Michel Lakah	Non-executive director	▪ Not presently active within the Group	▪ Aged 33, brother of Ramy Lakah. ▪ From 1998 to 2000, Vice Chairman of Lakah Holdings and Co-CEO. ▪ From 1989 to 1998, Vice Chairman of Medequip. ▪ Holds 53% of the shares of Lakah Holdings with Ramy Lakah.
Amr Kamal	Non-executive director	▪ Advice and support to Ramy Lakah on strategic, political and economic matters	▪ Formerly a senior banker.
Hassan Hayman	Non-executive director	▪ No specific responsibilities	▪ Formerly a senior banker, now a professor at Ain Shams University lecturing in financing.
Badawi Hussainein	Non-executive director	▪ Representative of Banque du Caire ▪ No specific responsibilities other than to represent the Bank's interests	▪ Director of Banque du Caire.
Ramy Oda Pacha		▪ International marketing, sales and operations, Medequip and TMSE	▪ Formerly a director of Lakah Holdings. ▪ Formerly Senior Executive Vice President, TMSE and Medequip, 1997 to 2000. ▪ General Manager, TMSE 1992 to 1997. ▪ Aged 37.

III Background, management, markets and strategy (continued)

Management and Employees (continued)

Directors and senior management (continued)

Name	Title	Principal responsibilities	Past track record
Sherif Fawzi	Chief Financial Officer	▪ Financial and management information ▪ Currently absent attending to family matters	▪ Formerly President and CFO of Amitrade.
Abdel Kader Farid		▪ Resolution of MidWest aeroplane dispute	▪ Formerly a director of Lakah Holdings. ▪ From 1986 to 1996, a vice president of ZAS Aviation. ▪ Aged 51.
Samy Toutoungi		▪ General Manager of Medequip; formerly President of Medequip	▪ Formerly a director of Lakah Holdings. ▪ From 1981 to 1998, sales manager of Medequip. ▪ From 1998 to 2000, CEO and President of Medequip.
Medhat Sobhy	Group treasurer	▪ Cash management	▪ Formerly a director of Lakah Holdings. ▪ Until 1996, a senior banking executive latterly with Egyptian American Bank.
Mohamed Khadr		▪ Specialist marketing and sales	▪ Formerly a director of Lakah Holdings. ▪ From 1997 to 2000, Senior Executive Vice President, Medequip. ▪ From 1990 to 1997, sales manager, Medequip. ▪ Aged 37.
El-Shourbagy	General Manager, TMSE	▪ General Manager, TMSE	▪ Formerly President, TMSE.
Hanzy Mansy	General Manager, MCMC	▪ General manager, MCMC	▪ Founder and formerly President of MCMC.

▪ All of the individuals listed in the table above identified as former directors of Lakah Holdings have resigned those Group-based positions in accordance with the requirement of the Framework Agreement, and in addition those holding subsidiary-based positions resigned their roles on those boards.

III Background, management, markets and strategy (continued)

Management and Employees (continued)

Directors and senior management (continued)

- At the present time, Ramy Lakah is bearing substantially all of the responsibility for the strategic, operational and financial management at Group level, in addition to his duties as a leading member of the Egyptian Parliament.
- The election of Ramy Lakah as a member of the Egyptian Parliament has been challenged, on the basis that he holds both French and Egyptian nationality. The Administrative Court of Egypt has held that only Egyptian nationals are eligible for election to Parliament, and that holders of dual nationality are barred. Ramy Lakah has appealed to the Constitutional Court.
- It is not clear how this issue will develop. However, it is possible that Ramy Lakah could be obliged to resign or be removed from Parliament when it re-assembles in November following the summer recess. President Mubarak is reported in the local Egyptian Gazette to have stated that the People's Assembly (the Lower House) should respect the decisions of the Court. This may increase pressure on MPs such as Ramy Lakah to resign.
- Ramy Lakah's absence last summer when he was in France caused operational difficulties for the Group. He does not currently foresee a need to go abroad again; however, were it to become necessary for him to do so, the impact on the Group if he should be absent from Egypt for any significant time is difficult to quantify but is likely to be serious. In view of this, the Group agrees with the need to strengthen the Group senior management team.

Knowledge and skills of the management team

- The only executive director on the Group's board is now Ramy Lakah. All other executive directors have resigned as a result of the Framework Agreement. Whilst they remain employed by the Group, they are no longer operating in Board positions.
- Ramy Lakah's abilities, drive and business connections have been and are key to the Group's growth and success in its markets.

III Background, management, markets and strategy (continued)

Management and Employees (continued)

Knowledge and skills of the management team (continued)

- The situation in Egypt is less stable than in many developed countries, and the Group's substantial reliance on Ramy Lakah creates a key vulnerability.
- We would see it as beneficial for him to encourage others to take a leading role in the direction of the Group as opportunities arise, allowing him to step back into an Executive Chairman's role.
- We have noted the lack of a strong and effective Finance Director or Chief Financial Officer to provide support to Mr Lakah. The Group's present difficulties are at least in part attributable to weaknesses in the financial and strategic management of the Group.
- The operational management team has strong knowledge of the medical equipment market in Egypt, Turkey, the Middle East and Northwest Africa. It has a strong and hands-on focus on sales and marketing as well as significant operational expertise.
- There is also significant expertise in the design, build and fitting-out of hospitals and medical clinics, within its "turn-key" operation, distributed through both senior and mid-level operational management.
- The team has built up a strong network of contacts within the medical communities in its chosen sectors and regions of operation.
- There is also evidence of strong relationships with the major manufacturers represented, and of considerable respect amongst its competitors.
- The Group has employed most of the senior management team for many years. The operational and sales teams are young, many being near-contemporaries of Ramy Lakah.

III Background, management, markets and strategy (continued)

Management and Employees (continued)

Knowledge and skills of the management team (continued)

- We have also commented elsewhere in this report upon the lack of formal accounting and budgetary information. Whilst there are a number of reasons for this, the Group's finance function is weak and in need of senior, strategic leadership to ensure that it provides the management information that a Group of this scale requires.

Causes of the Group's present difficulties

- The Group's present cash flow and trading difficulties have arisen for a number of reasons, some of which are inter-related.
- The principal reasons are:
  - A lack of liquidity in the Egyptian economy over the past 18 months, arising from budgetary pressures on the Egyptian Government and a deterioration in the LE/US$ exchange rate.
  - Inability of the Group to realise the proceeds of its receivables.
  - The actions taken by Banque du Caire in early 2000.
  - Efforts by local banks – at least in part in response to perceptions of the short/medium term prospects for the Egyptian economy – to reduce unsecured exposures to the Group.

III Background, management, markets and strategy (continued)

Causes of the Group's present difficulties (continued)

- An imbalance in the Group's portfolio between the Egyptian and international markets, and the inclusion within the Group of non-core investments.

- A lack of strategic financial planning and control within the Group.

- We discuss these causes in more detail below. We emphasise that in identifying reasons for the Group's present difficulties, we do not seek to attribute blame for the difficulties to either the management of the Group or any external parties. Our purpose is solely to enable the Bondholders to better identify actions required to address the Group's difficulties.

- The Group has entered into a debt restructuring agreement with the local banks ("the Framework Agreement"). A copy of the Agreement and translations are included at Appendix B.

III Background, management, markets and strategy (continued)

The Egyptian Economy

- One of the causes of the Group's difficulties has been the local economic condition. In this section we set out information on the economy and some of the key issues that have been relevant to the trading conditions that have confronted the Group.
- In May HSBC published a Business Profile on Egypt which is publicly available on the Internet.
- We summarise below some of the main points noted by HSBC:
  - GDP has grown at over 5% per annum in real terms between 1991 and 2000.
  - Over 70% of the economy is now in the hands of the private sector.
  - Inflation has dropped to less than 5% per annum.
  - The fiscal deficit has stabilised at around 1% of GDP.
  - Nominal GDP is around US$88.8 billion (June 1999).
  - The Egyptian economy is well diversified for a developing country. Agriculture accounts for 17.5% of GDP and industry and mining for 19.5%. The services sector, including tourism and the Suez Canal Authority, accounts for 51% of GDP.
  - Privatisation has been a cornerstone of structural reform, with the first majority sale of a state-owned company taking place in 1996. By November 1999, 129 out of 314 targeted companies had been privatised.
  - Growth is reported to have been 6.5% in 1999/2000, up from 6.1% in 1998/99.

III Background, management, markets and strategy (continued)

- Inflows of foreign direct investment in 1998/99 fell by 35.6% to US$711 million.Net outflows of portfolio investment were US$304 million in 1997/98 and US$217 million in 1998/99, as investors fled emerging markets in the wake of the crises in East Asia and Russia.
- As a result, the overall balance of payments slumped to a US$2.1 billion deficit, or 2.4% of GDP, in 1998/99.
- In August 2000, Egypt held US$14.7 billion in foreign reserves (9.8 months of imports), down from US$18.1 billion (12.8 months of imports) the previous year.
- With a rapidly growing population and a reduction in jobs in the public sector due to privatisation one of Egypt's challenges is unemployment, which is unofficially estimated to run at well over 10%.
- Government revenue sources have been widened with the introduction in 1991 of a retail sales tax.
- Inflation has fallen from over 25% per annun in the mid-1980s to 3.8% in 1997/98 and 1998/99.
- The Egyptian pound has been pegged to the US dollar since 1991 at around LE 3.39/US$1. Since June 2000, as a result of the liquidity crisis in the economy, the Egyptian pound has been gradually falling against the dollar. The official rate during January to April 2001 was LE 3.867/US$1.

III Background, management, markets and strategy (continued)

- Official statistics published in the Arab Republic of Egypt Monthly Economic Digest for May 2001 can be summarised as follows:

	1996/97	1997/98	1998/99	1999/00
Real economy				
Nominal GDP at market price (L.E Billions)	256	280	302	339
Real GDP growth rate (L.E Billions)	173	271	287	305 (note 1)
Real GDP growth rate (L.E Billions)	5.3	5.7	6.1	6.5 (note 2)
Real GDP Growth rate (per capita)	3.4	3.7	3.7	4.2
Share of private sector in GDP	68.8	70.7	74.9	73.1
Unemployment rate	8.3	8.3	7.9	7.4
Average annual inflation	6.2	3.8	3.8	2.8
Savings-Investments	**1996/97**	**1997/98**	**1998/99**	**1999/00**
Gross domestic savings (L.E Billions)	37	44	47	55.7
Gross domestic Investments (L.E Billions)	45.2	54.6	60	67
Gross domestic savings (% of GDP)	14.5	15.7	15.6	16.4
Gross domestic Investments (% of GDP)	17.7	19.5	19.9	19.8

Source: Ministry of Economy and Foreign Trade

Note 1 – Under revision

Note 2 – Excludes Tourism and Petroleum sectors